RESOLUTION NO. 1990-6

A RESOLUTION AUTHORIZING THE NEGOTIATION OF THE SALE OF BOND ANTICIPATION NOTES, SERIES 1990, IN AN AMOUNT NOT TO EXCEED $280,000.

The City of Elgin, Union County, Oregon (the "City"), finds:

A. The City Council of the City conducted an election on March 28, 1989, at which time the voters approved the issuance and sale of general obligation bonds in an amount not to exceed $300,000 to fund improvements to the City's sewer system.

B. The Farmers Home Administration, an agency of the federal government, appropriated $300,000 on May 3, 1990, to loan that amount to the City at an interest rate of 6.0 percent per annum for sewer system improvements.

C. Oregon Revised Statutes 287.522 through 287.526 authorize the City to borrow money and issue its notes for the interim financing of public improvements and to determine the method and terms of sale, upon determining that certain conditions have been met.

D. Notes issued pursuant to this authority shall not exceed in the aggregate the estimated unpaid costs of the sewer improvements and the maturity date of the notes herein authorized is not later than the completion date of the improvements to be financed.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elgin, Oregon, resolves as follows:

Section 1. Notes Authorized. The City authorizes the issuance of Bond Anticipation Notes, Series 1990, in a principal amount not to exceed $280,000 (the "Notes") pursuant to Oregon Revised Statutes 287.522 through 287.526 for the purpose of funding the interim construction of the City improvements and the costs of issuing these Notes. The Notes shall be dated with the date specified by the City, shall mature not later than December 20, 1991, and shall bear interest payable at maturity at a rate to be established by the City which shall not exceed a net effective rate of 7.50 percent. The Notes shall be in denominations as specified by the City in consultation with the purchaser of such Notes.

Section 2. Security. The Notes are payable from the proceeds of bonds to be sold to Farmers Home Administration

pursuant to an approving vote of the electors of the City held March 28, 1989. The full faith and credit of the City are also pledged to the punctual payment of principal and interest on the Notes.

Section 3. Note Purchase Contract. The Mayor of the City is hereby authorized to negotiate the terms of the Purchase Contract for the Notes. The terms of the Note Purchase Contract shall be binding upon the City upon approval by the City Council (or, upon execution by the Mayor). The Mayor shall report the terms of the Note Purchase Contract to the City Council prior to execution by either the Mayor or the City Council.

Section 4. Protection and Disposition of Funds. The City shall be the custodian of the proceeds of all Notes sold hereunder and such proceeds shall be deposited either in the Oregon Local Government Investment Pool or in a bank which is a member of the Federal Deposit Insurance Corporation ("FDIC"); provided that if any or all of the promissory Notes are purchased by any bank in the state of Oregon, the City may cause the funds to be deposited in the bank to the extent that it is insured by the FDIC. The Mayor is directed to establish the following account into which the Note proceeds and the net revenues from the water system shall be deposited for so long as the Notes remain outstanding and unpaid, which account shall be continued and maintained for such purpose, except as otherwise herein provided, for so long as the said Notes remain unpaid.

Section 5. Construction Account. The proceeds of the Notes hereby authorized shall be deposited in the Construction Account. The amounts in the Construction Account exceeding the insurance available from the FDIC shall either be secured by the depository bank in accordance with state and federal law or deposited in the Oregon Local Government Investment Pool. Withdrawals from the Construction Account shall be made only on checks signed by the Mayor of the City as authorized by the City Council, countersigned by the City Recorder or other authorized City official, and only for the purposes for which the Notes were issued as specified in the estimate of costs. The City's share of any liquidated damages and other moneys paid by defaulting contractors or their sureties shall be deposited in the Construction Account to assure completion of the Project. When the construction of the Project has been completed, or all construction costs have been paid in full, any balance remaining in the Construction Account shall be used immediately to pay or apply on the payment of any such Notes as may thereafter fall due, or, if said Notes have been paid from the proceeds of the sale of its Bonds, then the balance shall be applied to the payment of Bonds in the manner prescribed by the Ordinance authorizing the Bonds.

Section 6. Temporary Notes. The Notes herein authorized may be issued as one or more temporary notes, which may be typewritten and exchanged for definitive notes when available.

Section 7. Form and Denominations. The Notes shall be executed on behalf of the City with the manual signature of the Mayor and shall be payable at the office of the City. The Notes shall be issued in customary form and in convenient denominations.

Section 8. Authority of Mayor. The Mayor is hereby authorized to enter into any agreements and to execute any documents or certificates which may be required to issue, sell, and deliver the Notes in accordance with this Resolution.

ADOPTED by the City Council, this 10th day of April, 1990.

CITY OF ELGIN, OREGON

By Lloyd C Spikes
Mayor

ATTEST:

Lu Galtz 4/11/90
Recorder